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MONTANA TODAY
MONTANA DEPARTMENT OF PLANNING AND ECONOMIC DEVELOPMENT
VOLUME 17 NUMBER 1, WINTER, 1972

Transportation Study Ready For Feds

CID Life In Jeopardy

Will a big source of help for Montana businesses cease this year? That, in effect, is the question new and old business entrepreneurs are facing. The reason is that the original life-span of the Center of Industrial Development ends this year.

The Center was originally funded by the U.S. Economic Development Administration for five years with the idea that the state would then take responsibility for funding. The recent legislature deleted this item from the budget of the Department of Planning and Economic Development (PED). Now the Center, under the direction of Russ Estes, waits with hopeful anticipation that EDA will approve continued operation and funds.

The Center has worked closely with PED in the development of feasibility studies for different businesses—actually doing all the research—compiling special reports and sponsoring management seminars.

Two of the most recent actions by the Center relate to mushrooms and wood products. A feasibility study by the Center on mushroom growing in abandoned Montana mines has resulted in three trips by interested manufacturers to consider such facilities in the

(Cont'd Page 2)

The first state-wide evaluation of transportation needs through 1990 is on its way to Washington, D.C. The year-long study was finished recently and sent to the Department of Transportation (DOT) which requested the report.

The study was conducted by the Department of Planning and Economic Development (PED) with cooperation from the Highway Department, the Aeronautics Commission, and local governments.

The report covers all transportation modes except rail for the projected 20-year period. It is not a true state needs study, PED planner Byron Roberts explained, as it was designed according to DOT specifications for development of a national transportation study. This first national study will enable DOT to more accurately plan and request funds from Congress for all transportation needs.

The report, however, is still the only one of any type developed for Montana, Roberts added. The report makes a number of recommendations, especially that a state-wide transportation plan be made in the context of an overall state comprehensive development plan. Roberts noted that historically the development of any state or nation follows its transportation network in both direction and quality.

Part of such a plan would be the development of standards for roads, air terminals, mass transit and other transportation facilities. It would consider present and future transportation corridors. It was also suggested in the report that railroads be included in the state comprehensive plan.

One specific development initiated by the Highway Dept. was the recommendation to shift rural funds so as to increase the amount of highway funds going to urban areas from the present 7% to about 17% of the total.

Unique Problems

The problems in Montana are unique as there are approximately 11 miles of highway for each 100 persons, compared to the national average of 1.8 miles per 100 persons. The state has about 76,000 miles of public roadway, 116 airports and nearly 5,000 miles of railway in an area of 147,000 sq. mi. with slightly less than 700,000 persons.

The study was undertaken assuming three alternatives for federal funding, and projections developed based on each type of funding. The first assumption is based on slashing the current appropriation limit 50%. The second method is the same as current funding formulas, and the third is a block grant

(Cont'd page 2)

Roundup and Lewistown areas. Such an operation would produce three million pounds of mushrooms valued at $2 million annually, and employ more than 100 persons.

A recent seminar and report on wood products was sponsored in Missoula. The report showed the need and potential for secondary wood products manufacturing operations within the state.

Russ Estes

While the Center has identified potential businesses, it has also performed studies which showed why certain types of operations would not be feasible in Montana.

Estes says, "The Center has found that many economically feasible projects are not being implemented because of the lack of capable management. Thus, some assistance is given by conducting seminars, providing counseling, conducting market research, preparing economic analysis, furnishing data on new technology and by designing systems."

The Center operates through Montana State University, Bozeman, Bill Spilker, director, Economic Development Division of PED, says he could not achieve many of his division's results without the aid Russ Estes and the Center affords.

The work of the Center has also expanded since the federal government discontinued the State Technical Services Program. On-going development programs are of important concern to the Center in redevelopment areas designated by its sponsor, EDA. Currently Montana has 11 counties qualifying for EDA programs with five more counties likely to qualify shortly. This is in addition to seven Indian reservations that the Center works with.

system allowing the state flexibility in spending the monies which would come on a basis of 2/3 federal to 1/3 state or local in all cases.

The projections are also based on using a block grant system in all alternatives during the period 1979 to 1990. It was assumed, however, that spending through 1973 would continue on the current basis of Alternate II.

HIGHWAY NEEDS

The study expresses the need for other funding considerations regarding highways. This includes second-generation road repair/replacement and non-capital costs such as salaries, administration, overhead, maintenance, fuel, etc. One PED staff member speculated that second-generation replacement of interstate road sections may cost almost as much as the original construction.

The planners mentioned that as the interstate highway system is completed, maintenance costs will increase to the point that the state's financial resources will find it difficult to meet the obligations.

Potential federal aid for highways was broken down as in the following table.

Potential Federal Highway Aid— in thousands of dollars

	Alternate I		Alternate II		Alternate III	
	1974-78	1979-90	1974-78	1979-90	1974-78	1979-90
Urban areas*	$ 8,100	59,381	15,806	125,872	22,318	141,833
Small urban	$ 5,305	46,279	10,239	85,448	14,437	96,229
Rural areas	$172,363	519,547	294,742	1,039,094	345,721	1,040,976
TOTAL	$185,768	625,207	320,787	1,250,414	382,476	1,279,038

*Missoula, Great Falls, Billings

AIRPORT NEEDS

Airports were examined with potential development listed for each carrier airport and the estimated cost. This list covered most Montana carrier airports—runways, terminals, land and all necessary facilties. Data included projected passengers, parking space, plane capacity, etc.

Funding for Montana's air carrier airports could run anywhere from about $6,000,000 in 1974-78 to about $15 million depending on the alternative considered. In the period 1979-90, the range potential is about $12,600,000 to $35 million. The report noted that under Alternative III some monies could be transferred from airport development to highways. Of the 116 airports, about 15 have air carrier service.

Revenue sources for airports and airway facilities are quite inadequate now, it was noted, and it is becoming difficult to obtain voter approval of airport revenue bonds. State funds are negligible, the report added. The airport situation is further complicated by the federal Airport and Airway Development Act of 1970 which requires all airports to obtain crash fire rescue equipment and other maintenance equipment which many small airstrips do not now own.

MASS TRANSIT NEEDS

The PED report, in discussing mass transportation, studied the type of systems needed for each of the urban areas and the cost involved. A similar analysis was performed for auto parking facilities in the downtown shopping areas of the urban cities, plus small cities and towns.

It was the consensus of urban planners in the urban areas that federal subsidies would be needed to cover operational costs of mass transportation in Montana cities and any other city with a system having less than 200,000 population.

The report firmly stated that the allocation discussed for mass transit appeared unreasonable in that the state didn't even need the amount of money allocated under the low-funding plan.

The mass transit low funding alternate would provide about $4,840,000 during 1974-78 and $12,475,000 during 1979-90 in federal funds. As these amounts are not necessary, if the state is allowed to operate under Alternative III, an excess would transfer into the urban highway fund.

In preparing the transportation study for DOT, the PED staff noted that the projection for 1990 urban population as apportioned on a total U.S. basis by DOT differed by about 10 percent from local projections which were higher. This may affect the urban needs.

Commissioner John Ruffatto stresses study purpose.

Steve Yurich, U.S.F.S. regional supervisor explained actions.

Commissioner Ross Cannon questions impact.

TIMBER CUT IMPACT UNDER STUDY

The Department of Planning and Economic Development responded to testimony in mid-January by approving a study of economic impact resulting from decreases in federal timber sales. In approving the study, Commissioner John Ruffatto, Missoula, made it clear "this will not be an industry-directed study."

The action ocurred during the regular monthly commission meeting.

Perry F. Roys, chairman of the commission, indicated the University of Montana, Missoula, would work on the study with the department. Dean Rudyard Goode of the university's business school indicated that as a service to the State, Mrs. Maxine Johnson, of the Bureau of Business & Economic Research, would perform the study. Expenses for statistical data would be borne by the department.

Steve Yurich, Missoula, regional supervisor for the U.S. Forest Service, approved of the study, but requested that it include ecological impact also. He indicated the study would help in multi-use planning and offered to make available any data the Forest Service has that would be beneficial.

The ecological aspect was not approved except to recognize the effect on the economic impact. It was admitted by Robert Benson, U.S. Forest Service, Missoula, that a true ecological study with definite conclusions would take at least four years. The economic study should be completed in 3 months.

The study was precipitated by testimony from Royce Satterlee, past president of the Montana Wood Products Assn., that 5,456 jobs are in danger due to the large decrease in timber sales in Montana by the Forest Service.

Yurich responded that the decrease is directly attributable to federal legislation and public pressures to manage the land with greater appreciation of aesthetic values. While agreeing fully with these goals he said the Forest Service does not have the staff to make the necessary studies required to maintain timber sales at or near the rate of previous years. It is possible, he said, that after three or four years the rate of timber sales and amount of lumber involved will increase. The temporary reduction may reach 30% or more of the previous harvest in the meantime.

The study was agreed upon so as to aid business and communities to prepare for

(Cont'd Page 4)

whatever hardship might develop in these years 1972-76. It may also aid the Forest Service to obtain additional funds.

OTHER ACTIONS:

In other action the commission approved an industrial promotion trip to Los Angeles and San Francisco to be sponsored by the department and the State Chamber of Commerce. The delegation will include about 30 persons from the state of Montana, including a large number of Montana businessmen who will pay their own way. It is hoped the governor will lead the delegation.

The department also received permission to perform a pilot program on computer mapping of Montana counties with statistical data including terrain, ownership, water tables, housing, population and other variables . If federal funds are received, the pilot program will be made in the Helena Northeast Valley Land Capability area.

The commission approved a request to apply for federal funds to do computer county profiles of statistical data to aid local planning efforts and local governments or businesses applying for federal funds. If approved by the federal government, Montana would be the first state in the U.S. to do county profiles of all its counties on a computerized basis with common standards.

Greater responsiveness in range and depth of activity was noted by Executive Director Perry F. Roys when he recently sent to the governor the annual report for the Department of Planning and Economic Development (PED).

The report covers the fiscal year ending June 30, 1971. It includes the major accomplishments and recommendations along with detailed descriptions of activities by the department's five divisions—administrative, research, information systems, economic development and community development.

The chief accomplishments include 1) coordination of state efforts relating to Big Sky of Montana, Inc. and Gallatin Canyon—including road funding, environmental impact statements, and a planning study of the Gallatin Canyon area

Other accomplishments, 2) revision of state planning laws—led to passage of House Bill 79 helping cities and allowing counties to conduct comprehensive planning programs.

3) local comprehensive planning assistance—in which the PED staff aided 21 communities and three Indian reservations to complete comprehensive plans previous to obtaining federal funds.

4) state clearinghouse for local assistance applications—by which the department reduced duplication by working with local governments and the federal government in securing local aid.

5) state planning—secured two federal grants totaling $230,000 to finance Montana's executive reorganization and save Montana taxpayers two-thirds of the cost (a third grant is in process).

6) ABM impact areas—secured federal funds to construct community facilities in these areas.

7) industrial promotion—contacted out-of-state businesses and distributed newly published **Montana Data Book.**

8) Gregson Hot Springs—aided Magicland Development Corp. to obtain federal financing.

9) Cut Bank refinery—played key role in averting shut-down of Union Oil plant and transfer to Canadian Hydrocarbons.

10) Eastern Montana—helped spark efforts to revitalize this area.

11) 1970 census data—became the first state in the nation to establish facilities and process data on the state level for counties and cities, plus custom tabulations.

12) information system—became one of the first states to design and implement a socio-economic computer information system.

13) coordination—the department worked on a 20-year recommendation to the Department of Transportation; is conducting a statewide housing survey; and working on model cities programs.

14) publications—five major items were completed: **Montana Data Book, Montana Economic Study, Montana Directory of Trade and Technical Associations, Directory of Manufacturers,** a proposal to the Governor on **Multi-County Districting.**

15) Strategy for the 70's conference—assembled the Governor's Conference of Strategy for the Seventies.

Along with these accomplishments, the PED annual report indicated seven major recommendations.

First recommended: Strengthen the department's resources and capabilities to provide assistance and service in a high quality and efficient manner, within its areas of responsibility, to meet increasing demand from state, county and local governments.

Second, requests urging the federal government to provide more adequate financial and technical assistance to programs and activities which require participation at the state level

Third, continue on a regular basis, the review and evaluation of comprehensive planning activities to identify deficiencies and recommend improvements to the legislative assembly.

Fourth, The multi-county district delineation be tried for at least one year

Fifth, The department be designated as "Official State Housing Agency" so it may more fully execute responsibility for identifying and mobilizing forces to alleviate housing needs. PED now does this to a limited extent but lacks the necessary depth.

Sixth, Further technical and financial support for the Economic Development Association of Eastern Montana to help vitalize this area of the state.

Seventh, Membership in the Western Interstate Nuclear Compact to keep the state up-to-date on nuclear developments, which may, for example, affect our source of electrical power

LIVING COSTS OF MONTANA COMPARED

City cost of living index— U.S. = 100 (4th quarter 1971)

city	all items	food	housing	utilities	trans-portation	health	misc. services
Billings	100.4	98.8	113.9	79.0	88.1	104.9	99.5
Great Falls	104.3	95.2	108.2	81.7	140.8	100.4	102.0
Helena	110.8	105.5	114.1	102.6	139.8	107.3	90.2
N Y. City	116.6	124.5	116 5	112.6	109.6	126.2	108.7
Chicago	110.0	105.1	122.0	92.2	103.5	122.3	102.3
Denver	105.7	94.0	120.7	91.9	99.4	112.8	99.2
Spokane	109.9	98.9	110.3	97.4	116.6	131.3	124.0
Cheyenne	93.1	93.6	90.4	78.4	117.6	87.5	99.1

How do prices compare? What are the cost of living index differences between Montana cities and 155 other U.S. cities?

This information is revealed through the ACCRA cost of living index. The information is collected on a quarterly basis by local chambers of commerce for the American Chamber of Commerce Researchers Assn.

For the most part the figures for the 155 cities indicate it is slightly less expensive to live in the south but normally the cost of living is lower in smaller cities and rises in larger cities or areas distantly removed from population centers. Th figures are based on expenses of a family of four with annual income of $15,000 to $16,000.

The following table compares Billings, Great Falls, and Helena with the U.S. average of 100 in each category (arrived at by averaging the figures for all cooperating cities), plus the figures for other selected cities.

RECREATION DEVELOPMENTS ABOUND

Recreational developments are showing steady progress throughout the state. Currently at least nine projects are reported in varying stages.

The largest project underway is the much talked about Big Sky of Montana, Inc. development in Gallatin Canyon. Fifty condominiums are completed, the road to Meadow Village is paved, and nine holes of the golf course will be playable this spring.

Big Sky is still resolving the Lone Mountain area land exchange, but some work on the mountain village is beginning. Also, they finished the remodeling of the guest ranch and offer some skiing this winter.

At Gregson Hot Springs, a $2.3 million grant from the Economic Development Administration was secured with aid from the Department of Planning and Economic Development in preparing the application for funds. A 190 room lodge is planned with a 500 person convention center. The facilities will center around three indoor and three outdoor pools with an 18 hole golf course as an added attraction. The development is expected to create about 375 direct jobs when it opens next year.

Gregson will have other activities including skiing when phase I is fully completed and a second phase of development begins.

A third development is Ptarmigan at Big Mountain near Whitefish. The proposed $20 million development will have year-round housing. There are some lakes within the development area for summer uses.

Kings Hill near White Sulphur Springs is a popular ski area planning to build lodging facilites. Investors are also evaluating year round attributes of the area.

At Rocky Boy Reservation, plans are afoot to popularize the natural surroundings. Planned camper facilities will aid this along with hiking and skiing.

The Crow Indian's Sun River Lodge near Custer Battlefield is expected to draw tourists coming to either the battle area, the rodeo grounds or the new horse racetrack. The not-too-distant Yellowtail

(Cont'd Page 6)

development should also draw people interested in water recreation—boating, skiing, swimming, fishing.

Grizzly Peak proponents near Red Lodge are hoping to secure $13.5 million in funds to develop year-round recreational skiing, hiking and other outdoor facilities.

Also near Red Lodge, Richel Lodge supporters plan to expand from skiing facilities to all year activities including horseback riding and hiking.

Near Belt, just southeast of Great Falls, plans are in the works to create an 1890 village for 400 persons living the way of the gay '90's. The village, Logging Creek Development, would be accessible by an old fashion-type railroad that would also bring in tourists from the lodge and parking area at the originating end of the rail line. Residents would also operate a handicraft-type mail order house.

Note: The editor of "Montana Today" is interested in being kept aware of all recreational developments.

BUSINESSES. . .

Open— Expand

Some of the latest industrial developments . . .

Great Western Industries, Browning, expects to open its pencil plant any day with a crew of 85, mainly native Indians. The EDA and SBA financed operation is a joint venture of the Blackfeet Tribe and private investors. Ballpoint pens and markers will also be produced . . . *B. F. Wood* **Products,** also at Browning with an Indian staff, is rolling now with the production of cutstock and plans to branch out . . .

Peavey Co. is building a new feed mill at Belgrade to boost production—industrial revenue bonds aided financing . . . . **Montana Farms** at Townsend is building an egg producing plant aiming for 1,200 cases of 30 doz. each per week. The operation is a joint effort of Woodcrest Egg Ranch and Safeway Stores . . . .

Miller T-Bone Feeders, Inc. built a new feedlot at Shepherd to handle 30,000 head of cattle for marketing mainly to Billings. The 10,000 head original feedlot is also running full force with both lots using local grown feed . . . . **W. R. Grace** is getting under way with a $6.75 million plan to expand its Zonolite facilities at Libby.

SERVICES PLAN TO EXPAND

More service for more cities, town and counties is planned by the research division of the Department of Planning and Economic Development. Dick Draper, division director, noted a slight shift in emphasis will lessen the one-shot, one-time type studies resulting in more advisory work for both communities and other divisions of the department.

In the past, Draper said, we performed housing studies or other work to gain the experience necessary to help others with similar projects. This includes housing surveys in small, medium and large towns. The division also did extensive work on the application for funds to the Economic Development Administration for Big Sky of Montana, again so the staff would know what to expect and can advise or help others with future EDA application.

Regarding housing, Draper hopes a booklet or some other plan can be developed based on experience to aid communities with housing surveys.

Planning today will make life tomorrow more enjoyable

CONFERENCE NOTES MONTANA HOUSING PROBLEMS

A three-day exploratory housing conference ended with the representatives desiring further action.

The December meeting concerned housing for low- and moderate-income families. It was co-hosted by the Federation of Rocky Mountain States, Inc. and Montana's Department of Planning and Economic Development. Housing officials from throughout the U.S. offered their experience, insights and theories to solve the problems.

Some of the problems and suggestions noted included the need to stimulate housing production and markets, to provide funds for site development, to form a state housing development corporation, to up-date building codes allowing use of modern technology, and to develop a strong state-wide building code that would not be overridden by local codes.

Robert Alcock, National Governor's Conference, noted that there is a model bill currently adopted by 20 states, to cover industrialized and modular housing.

In this same vein, Harold Knott, deputy director, Colorado State Housing Authority, said Colorado recently adopted a measure to certify mobile homes built or erected in the state. He added the certification is working to the advantage of both owners and builders This item was of specific interest to Montanan's at the meeting.

A new program for small town housing surveys was announced by Dave Wilson, Northern Natural Gas Co., Omaha, Neb. The survey is designed for use by local leaders.

INDUSTRIAL SITES CATEGORIZED

Industrial site descriptions in Montana have been compiled into a booklet published by the Department of Planning and Economic Development (PED) in cooperation with the Western Interstate Commission for Higher Education (WICHE).

David J. Brown, a WICHE intern, compiled the materials under the direction of PED. The booklet, "Actual and Potential Industrial Sites for Larger Montana Communities," provides details on 65 sites within 26 city/town areas. Individual pages for specific towns are also available.

Each site explanation is accompanied by a map showing the location in relation to the town. The site descriptions include: 1) size; 2) location; 3) ownership; 4) availability; 5) property usage; 6) terrain; 7) utilities; 8) access; 9) improvements on site; and 10) unique or additional features.

EDAEM receives $12,000 from PED

Special attention to the problems of eastern Montana played a major part of the December meeting of the commissioners of the Department of Planning and Economic Development (PED). The group met at Sidney with a special session held in cooperation with the Economic Development Assn. of Eastern Montana (EDAEM).

In conjunction with the area's economic development the commissioners toured a feed lot and cattle sales ring. The commission reaffirmed to EDAEM continued aid for development of the area. Perry F. Roys, executive director of PED, pledged $12,000 in continued financial aid during the current biennium.

Association members noted progress in tourism and agriculture. Feedlots are growing almost too rapidly to count, it was remarked, but concern was also expressed for overgrazing of parts of the native range.

County Census Data Released

Montana chalked-up another first when the U.S. Department of Commerce issued county population and housing census data for Montana first among the 50 states. The data came out late last year, though many states won't get the county data until this spring.

The detailed county information is based on the 1970 census. It includes for each county: average family income, per capita income, total residents, work force for both male and female, percent in white collar jobs or government workers, number in school, and percent with high school diploma.

The census also reports the number of housing units, those with tv's, those air conditioned, those with washers, dryers or dishwashers, use of utility gas, whether owned or rented, and number of bedrooms.

PLANNING MOVES FORWARD

Contracts providing federal funds were signed by both Libby and Kalispell to continue comprehensive planning programs while Billings officials are considering forming a development agency to undertake renovation and beautification projects.

A regional Planning Assn. of Western Montana was formed recently with eight counties participating. The association's immediate function will be to gather data for a resource inventory and compile planning recommendations based on this information. The advisory group consists of representatives from Granite, Flathead, Lake, Lincoln, Missoula, Powell, Ravalli and Sanders counties.

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PLANNING AND ECONOMIC DEVELOPMENT

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Montana Today reports planning and economic development events in Montana. The reports reflect official Commission action or policy only insofar as they indicate. Reports on business affairs should be in no way construed as endorsing a concern or its products.

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MONTANA TODAY

We hope you, the readers of "Montana Today" will note a change of format and appearance in this and the preceding issue.

The revamp is aimed at improving readability and (we hope) interest. We are attempting this by both brightening the looks of "Montana Today" and by putting more emphasis on planning and development activities by people all over the state.

As a consequence of these efforts, we welcome information on what's happening in your community. We can even use pictures, if our printer can reproduce them. Other changes will come along, and we hope you, our readers approve.

Madison County scores first in planning

As 1971 drew to a close the first county planning board in the state met in Madison County's Virginia City. Formation of the board followed enabling legislation passed last year by the state's 42nd Legislative Assembly.

The new board elected Remi Monforton, Whitehall, as president. The county commissioners also approved the joint hiring with Beaverhead County of Ivan Shaw, Dillon, to the spot of Planning Director and Secretary. The position is paid with aid from the Federal Emergency Employment Act of 1971.

The Madison County planning board noted the incorporated towns of Sheridan, Twin Bridges and Ennis (which has a planning board) are not represented unless they decide to enter the county planning district as provided in the law.

County Planning Boards Take Form

Local community planning efforts continued to build up steam in recent months although one county actually turned down formation of a county planning board.

Musselshell county formed the second county planning board in the state with no opposing petitions submitted. The towns of Roundup and Melstone have to decide separately to join the county planning board, as specifically noted in the enabling legislation passed last year.

At the same time local leaders discussed a county planning board in Choteau and Broadwater counties and some other counties were reported approaching the discussion stage.

Gallatin County will not have a county planning board however, as petitions were submitted by a majority of eligible residents to kill the proposal. It was estimated that it would be as long as two years before another attempt would be made to form the board.

Rick Mayfield, Bozeman city-county planning director, attributed the defeat to a "combination of misunderstanding, fear and ignorance."